

# LYNCHBURG CITY COUNCIL

## Agenda Item Summary

MEETING DATE: **September 30, 2003, Work Session**

AGENDA ITEM NO.: 4

CONSENT:

REGULAR: **X**

CLOSED SESSION:

(Confidential)

ACTION: **X**

INFORMATION:

ITEM TITLE: **Proposed Joint Airport Industrial Park**

RECOMMENDATION: Endorse the MOU regarding the development of an industrial park at the airport in partnership with Campbell County.

SUMMARY: As far back as 1996 the City and Campbell County have discussed the joint development of an industrial park at the Lynchburg Regional Airport. For one reason or another, progress has been slow. Within the last several years, however, Campbell County has acquired an important piece of property adjacent to the airport and additional sewer infrastructure has been installed. Staff has been engaged in discussions about how to move this initiative forward. Attached for Council's consideration is a proposed Memorandum of Understanding that outlines a structure to jointly manage the industrial park. The MOU is also being presented to the Campbell County Board of Supervisors this month.

Staff would like to receive feedback from Council regarding the proposed MOU and is seeking Council's endorsement to continue working on this project.

PRIOR ACTION(S): None

FISCAL IMPACT: Undetermined

CONTACT(S): Kimball Payne, Ed Miller

ATTACHMENT(S): Proposed MOU

REVIEWED BY: lkp

## AIRPORT COMMERCE PARK

### MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding is agreed to on this \_\_\_\_ day of \_\_\_\_\_, 2003, by and between the City of Lynchburg (“Lynchburg”) and the County of Campbell (“Campbell County”). Both entities (hereafter, “the participating jurisdictions”), bound by the laws of the Commonwealth of Virginia, agree to work cooperatively to develop a joint commerce park located on \_\_\_\_ acres within Campbell County near the Lynchburg Regional Airport. This joint effort shall forthwith be called the Airport Commerce Park (hereafter, “Park”).

#### Administrative Authority

Because the property comprising the Park is located within the jurisdictional boundaries of Campbell County, it is the agreement of the City of Lynchburg and Campbell County that Campbell County will serve as the administrative authority and hold all title to the property and physical improvements as implemented by the Project Management Committee (“Committee”). It is the intent of both parties that if and when a regional airport authority is established that such authority will assume administrative authority and hold title as set forth in a future agreement.

1. Compensation. Campbell County shall be compensated for work performed as the administrative authority of the Park. Compensation will be negotiated between the Committee and the County. The County shall only be entitled under this section to recover funds actually expended to perform administrative duties under this MOU.
2. Budget. The Committee shall present to the City Manager and County Administrator respectively, of Lynchburg and Campbell County, by January 1st of each calendar year an annual budget for inclusion into each jurisdiction’s annual budget process that begins on July 1<sup>st</sup>. Initial and subsequent requests for funding from the respective jurisdictions are subject to annual review and appropriation by the governing bodies.
3. Project Management Committee. A Project Management Committee (“Committee”) shall be created and shall consist of two representatives from each jurisdiction’s Industrial Development Authority, the Economic Development Director from each jurisdiction and the City Manager and County Administrator, all four as ex officio voting members. A total of eight voting representatives, four from each jurisdiction as defined above, shall comprise the Committee. Of the eight initial voting members, two members, one from each participating jurisdiction’s Industrial Development Authority, shall serve two-year terms and the remaining two IDA members shall serve one-year terms. Subsequent terms for IDA members shall be for two years, except where there have been appointments to fill vacancies in which case the terms shall be for the unexpired terms. The remaining four members shall be appointed concurrent with their respective positions. The Committee shall be appointed and

recognized as the decision-making body for the Park by the governing bodies. The Committee shall consult and coordinate its activities with the Airport Manager.

4. Voting. Each member of the Committee, as defined above, shall be entitled to one vote on all issues with the understanding that both parties have equal voting representation. All questions or issues shall be determined by a majority vote at regularly scheduled meetings.
5. Marketing. The Committee shall work in cooperation with the Region 2000 Economic Development Partnership to develop and execute a marketing plan for the Park. Such marketing plan shall be first approved by the Committee prior to its implementation.
6. Costs. All costs of development shall be shared equally or proportionally as determined by the Committee and approved by appropriation from the local governing bodies.
7. Revenue. Revenue shall be considered all funds received from taxes collected from occupants of the Park and proceeds generated from the sale of Park assets. The Committee shall evaluate all options for the enhancement of revenue generated by the Park to insure an equitable return on investment for the participating jurisdictions. Any revenue generated by the Park shall first be applied towards outstanding development costs, construction costs and administrative costs. Any additional revenue received that exceeds total costs shall be distributed annually to the participating jurisdictions equally or proportionally, based on total value of contributions to date, as determined by the Committee.
8. Composite Index Formula. The participating jurisdictions recognize that additional taxable property will exist in the Park, and that the increased assessed value of real property in the Park could affect the composite index formula used to determine funding for the host locality's education system with the potential of increasing the host locality's proportionate share of education costs. The participating jurisdictions agree to address this issue through legislation in the General Assembly, the development of a "hold harmless" formula of revenue sharing or through other means as may be mutually agreed to in order to preclude the host locality from experiencing a fiscal penalty as a result of park development.
9. Land. Lynchburg and Campbell County may each contribute equal amounts of land to the Park or be assigned a financial contribution equal to comparable land values as determined by assigned property values. A method for establishing value of property contributed by a participating jurisdiction shall be developed by the Project Management Committee, and such financial contribution shall be accounted for and be applied towards acquisition, development and construction costs.
10. Funding. Efforts by Lynchburg, Campbell County and the Project Management Committee shall be made to secure individual or cooperative grant funding for the

development and construction of the Park. Grant funds shall be applied to development costs as determined by the Project Management Committee. Any revenues generated as a result of grant funded improvements shall be considered as general revenue and be distributed in the same proportion as other revenues.

11. Staff Resources. Equal contributions of staff resources shall be provided by each participating jurisdiction to control development costs. The contribution of staff resources shall not reduce either participating jurisdiction's financial responsibility.
12. Water/Sewer. The Campbell County Utilities & Services Authority shall provide water and sewer services for the Park. All capacity costs incurred to service this property shall be included in total development costs.
13. Amendments. This Agreement may be modified or amended by written agreement approved by both parties for the further development of the Park or for other agreed upon reasons.
14. Severability. The parts and provisions of this Agreement are severable. If a court of competent jurisdiction holds any part or provision invalid, the remainder of this Agreement shall remain in full force and effect.
15. Modifications. All parties acknowledge that this Agreement incorporates all terms and conditions agreed to between them, and all further agree that there shall be no oral modifications made, and that any written modification will be effective only if duly executed by the governing bodies and signed on behalf of all the parties.

IN WITNESS THEREOF, this Agreement is executed by the parties hereto pursuant to due authority on the day and year first written above.

**COUNTY OF CAMPBELL, VIRGINIA**

By: \_\_\_\_\_  
County Administrator

STATE OF VIRGINIA,

to-wit:

COUNTY OF CAMPBELL

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_,  
2003, by \_\_\_\_\_, County Administrator.

My commission expires: \_\_\_\_\_.

By: \_\_\_\_\_  
City Manager

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_,  
2003, by \_\_\_\_\_, City Manager.

My commission expires: \_\_\_\_\_.

Notary Public

**Approved as to form:**

Attorney, City of Lynchburg

Attorney, Campbell County

Date \_\_\_\_\_

Date \_\_\_\_\_